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# State of Utah Department of Commerce

## Division of Securities

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### NEWS RELEASE

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#### **Two Mortgage Companies are Ordered to Cease Taking Money from Investors** ***Investors were told their money was guaranteed to earn 20%, but they lost \$40,000 ...***

**SALT LAKE CITY, Utah** – An order was issued today against American Mortgage Alliance, Inc. and National Mortgage Alliance, LLC, of Murray, after the two companies failed to respond to allegations from the Division of Securities that the companies had sold securities illegally. The companies and their managers were accused in June 2006 of illegally taking \$55,000 in investments from three members of a family. The Division alleged that the promoters claimed the money would be used to place kiosks in shopping malls to generate leads for mortgage loans and loan refinancing. The investors were promised 20% return and told the investment was guaranteed and had no risk.

The two companies have ceased doing business and have permitted their corporate charters to expire. Also named in the Order to Show Cause were the managers of the companies: Robert M. Fain, of Cottonwood Heights, Daron W. LeBlanc, of Orem, and Antonius (Tony) M. Versteeg, of Sandy.

According to the Division, Leblanc solicited one of the investors, a co-worker, in May 2002. LeBlanc showed the investor a spreadsheet for American Mortgage Alliance (AMA) and said the company would generate a profit. When the investor said he did not have money to invest, LeBlanc helped the investor get a second mortgage on his home. The investor was later encouraged to increase the line of credit on his home loan. His parents also were encouraged to invest. One family member was later convinced to invest an additional \$15,000 in an inkless fingerprinting business as a means of recouping her losses on the mortgage investment.

The investors were not told that Fain had been charged with securities fraud in 1996 and had been ordered to pay \$308,850 in restitution in that case, that LeBlanc and Versteeg also had been sued and had judgments filed against them.

The Default Order finds that American Mortgage and National Mortgage engaged in securities fraud and sold securities that were not registered. They are ordered to cease and desist violating the law and to pay \$75,000 in fines.

The Division's proceedings are continuing against Fain, LeBlanc, and Versteeg, as well as a related company, Real-Prints, Inc. In addition, criminal charges were filed on May 10 against Fain, LeBlanc, and Versteeg for their conduct in taking money from these investors.